

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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August 15, 2000

OFFICE OF THE
EXECUTIVE SECRETARY

James W. Dempster
General Counsel
Ben Lomand Communications, Inc.
118 E. Main Street, P.O. Box 332
McMinnville, Tennessee 37111-0332

Re: Petition of Ben Lomand Communications, Inc. for Approval to Issue and Sell Additional Common Stock (Docket No. 00-00680)

Dear Mr. Dempster:

Pursuant to Director Greer's comments at today's Authority Conference, please respond to the following questions by August 25, 2000.

1. What is the public interest rationale for allowing a cooperative telephone company to enter a for-profit enterprise even though the cooperative will not allow or negotiate for interconnection with its network by qualified competitors?
2. What is the public interest rationale for a cooperative's for-profit affiliate selling its securities to the cooperative rather than selling securities on the open market?
3. Are any legal prohibitions of cross-subsidization violated by the proposed transaction?
4. Other things the same, compare Ben Lomand Communications, Inc.'s current ability to compete with its ability if it operated completely independently from Ben Lomand Rural Telephone Cooperative.
5. How will financing arrangements similar to the proposed transaction affect Ben Lomand Rural Telephone Cooperative, Inc.'s members prospectively, assuming similar transactions continue?
6. How do the operations of Ben Lomand Communications, Inc. affect improvements that have been or will be made to Ben Lomand Rural Telephone Cooperative, Inc.'s system?

In addition, please provide the Authority thirteen (13) copies of the notice that informs Ben Lomand Cooperative's general membership of the proposed transaction. If you have any questions, please contact Rosie Gregory at (615) 741-2904, extension 156.

Sincerely,

David Waddell
Executive Secretary

POSTED
8-15-00